

KTRS NEWSLETTER

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY

ACTIVE MEMBER EDITION
Fall 2005



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Retiree Medical Insurance Funding is a Priority for KTRS during the 2006 Legislative Session

The priority for KTRS during the 2006 Legislative Session is to secure the funding necessary to maintain the KTRS medical insurance program at current levels. During this session, a state budget for the 2006-2008 biennium will be approved. Therefore, this is the only opportunity to obtain the funding needed to maintain the medical insurance program through the next two fiscal years. The General Assembly is required to provide the necessary funding pursuant to KRS 161.550(2), unless it finds that the welfare of the Commonwealth requires that funding be suspended or adjusted. To continue medical insurance coverage for KTRS retirees at or near current levels through the next two fiscal years, the medical insurance fund will need \$115 million for the 2006-2007 fiscal year, and \$154 million for the 2007-2008 fiscal year. Without this funding, the medical insurance coverage that can be provided to retirees will be severely diminished.

At present, the budget is in the hands of the Governor. It is his office's statutory duty to recommend an Executive Budget to the General Assembly. It is imperative that the Executive Budget submitted to the General Assembly provides full funding for the KTRS medical insurance program for the 2006-2008 biennium.

Although the Governor has many difficult decisions to make in appropriating limited public funds, retiree health care must not be sacrificed. KTRS

has been communicating with the Governor's office on this vital issue and will be working diligently with the General Assembly throughout the 2006 Legislative Session. At this point, it is too early to forecast whether medical insurance funding will be included in the Executive Budget, but KTRS remains hopeful that both the Governor and the General Assembly will continue to acknowledge the importance of maintaining medical insurance coverage for retirees.

Additional KTRS Goals for the 2006 Legislative Session

Cost of Living Adjustments

In addition to the permanent 1.5% Cost of Living Adjustment (COLA), KTRS will request funding in the Executive Budget for additional "ad hoc" COLA's to help members' retirement annuities keep pace with inflation. For the coming biennium, KTRS will request ad hoc COLA's of 2.1% for fiscal year 2006-2007, and 1.0% for fiscal year 2007-2008. If approved by the Legislature, these ad hoc COLA's, added to the permanent 1.5% COLA, would provide members with a total COLA of 3.6% for fiscal year 2006-2007, and 2.5% for fiscal year 2007-2008. It is important to note that although KTRS always strives to provide the membership with COLA's that at least equal the rate of inflation, COLA's are dependent upon Legislative approval for inclusion in the state budget

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Kentucky Teachers' Retirement System Recognized by Prestigious Organizations

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Teachers' Retirement System of the State of Kentucky for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2004. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

KTRS has received the Certificate of Achievement for the last seventeen consecutive years (fiscal years ended 1988-2004).

PPCC Achievement Award

The Public Pension Coordinating Council awarded a Certificate of Achievement to the Teachers' Retirement System of the State of Kentucky for 2005 for implementing and maintaining high professional standards in administering the affairs of the System. The award is based on compliance with principles judged to underlie exemplary retirement system achievements in the areas of benefits; actuarial valuation; financial reporting; and investments and disclosure, and are widely acknowledged to be marks of excellence for retirement systems. It represents the highest standards of excellence in the public pension industry.

The PPCC is a coalition of the four major public pension organizations in the nation. These include the National Association of State Retirement Administrators, the National Council on Teacher Retirement, the National Conference on Public Employees Retirement Systems, and the Government Finance Officers Association.

"Additional KTRS Goals for the 2006 Legislative Session" continued from page 1 ...

and consequently upon the availability of state funds to pay for them.

Repayment of Past Allocations to Medical Insurance Fund

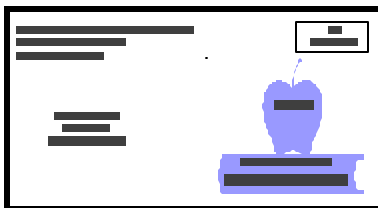
KTRS will request repayment from the Commonwealth for the \$336 million in state contributions that were allocated to the medical insurance fund as authorized under KRS 161.540(2). These allocations were made during the fiscal years 1998-1999 through 2004-2005. KTRS will ask the General Assembly to repay this amount on an amortized basis over a ten-year period.

Monitor New Legislation / Education

As with all legislative sessions, KTRS will closely monitor new legislation introduced during the 2006 General Session and will oppose all bills that are detrimental to the retirement system and support those that are helpful. KTRS will also continue its efforts to educate members of the General Assembly about the benefits of the retirement system, as well as the issues of concern, such as funding for the medical insurance program.

Deadlines for the Purchase of 2004-05 Service Credit are Approaching

- ◆ Full-time members who had unpaid contract days in the 2004-05 fiscal year should contact their employer about completing the Lost Services/Personal Contributions Form (LS-1). The completed form should be submitted to KTRS in order to finalize the purchase by the December 31, 2005 deadline.
- ◆ Part-time members who worked as substitute teachers or on a part-time basis in the 2004-05 fiscal year and earned at least .70-year of service should contact their employer about completing the Lost Services/Personal Contribution Form (LS-1). The completed form should be submitted to KTRS in order to finalize the purchase by the December 31, 2005 deadline.
- ◆ Members who were granted leaves of absence in the 2004-05 year should contact KTRS about purchasing the unpaid days covered by the leave of absence. The deadline for this type of purchase is June 30, 2006.



Please Review Your 2005 Annual Statement

The Kentucky Teachers' Retirement System annual statements

for fiscal year ending June 30, 2005, were mailed to members in October 2005. The accuracy of the information contained in this statement is important to your retirement and serves as the basis for preparing an estimate of your retirement benefits. The salary and service credit reflected on your statement was furnished by your employer. To assist members in maintaining accurate retirement

accounts, KTRS will perform service credit audits on accounts of members who will be eligible to retire in the next two years. **You can help by carefully reviewing your statement to assure its accuracy. Please pay particular attention to the total service credit ending balance at June 30, 2005.** Members are entitled to receive a full year of service credit if they have no more than five days without pay during a year. If you think your account may have an error, please contact your employer. Your employer will then notify KTRS of errors and/or omissions that need to be corrected.

KENTUCKY TEACHERS' RETIREMENT SYSTEM MID-CAREER PLANNING WORKSHOPS

REGISTRATION

5:30pm - 5:40pm (Local Time)

NEW FALL TIMES FOR SEMINARS

5:40pm - 8:30pm (Local Time)

December 7, 2005

Ramada Inn
Oak Room
1698 Flemingsburg Rd
Morehead, KY

December 13, 2005

London Community Center
Meeting Room B
529 South Main
London, KY

January 11, 2006

The Springs Inn
Ball Room
2020 Harrodsburg Road
Lexington, KY

KENTUCKY TEACHERS' RETIREMENT SYSTEM PRE-RETIREMENT SEMINARS

REGISTRATION

9:00 A.M. - 9:15 A.M.
(Local Time)

SEMINAR

9:15 A.M. - 1:00 P.M.
(Local Time)

You are invited to attend if you are minimum one year to five years maximum from retirement.

December 10, 2005

Barren River SRP
1149 State Park Rd.
Lucas, KY

January 28, 2006

Lloyd High School
450 Bartlett Ave.
Erlanger, KY

February 25, 2006

Jefferson County
Schools
Southern High School
8620 Preston Hwy.
Louisville, KY

March 18, 2006

Pine Mountain SRP
C. V. Convention
Center
1050 State Park Rd.
Pineville, KY

April 22 2006

KTRS
477 Versailles Rd.
Next door to the
main building on
the ground floor
Frankfort, KY

Please feel free to bring a snack to have during the seminar.

KTRS SEMINAR OR WORKSHOP PRE-REGISTRATION FORM

Pre-registration for all seminars is **NECESSARY** and offered on a first come, first served basis. Individual retirement estimates will **NOT** be available at these workshops/seminars. **Return this pre-registration form to KTRS or pre-register on-line at: www.ktrs.ky.gov**

This Pre-Registration is for: ☐ Mid-Career Workshop or ☐ Pre-Retirement Seminar

Name _____ Social Security Number _____ - _____ - _____

Address _____

City/State _____ ZIP Code _____

Name of Employer _____

Home Phone: (____) _____ Work Phone: (____) _____

Date of Workshop attending: _____ City of Workshop attending: _____

**** Guests are welcome if seating is available. Priority is given to KTRS Members****

Please return completed registration form to: KTRS - 479 Versailles Road - Frankfort, KY 40601-3800

Notification of Your Change of Address

As an active or retired teacher or survivor of a member of KTRS, I request that my mailing address (and/or) name be changed as follows: **(A valid signature is required in order to process this change.)**

CHANGE NAME and/or ADDRESS FROM:

Name

Address

City/State/Zip

KTRS Member SS# _____

Please circle one: Active Retired Survivor

CHANGE NAME and/or ADDRESS TO:

Name

Address

City/State/Zip

Member/Survivor's Signature (REQUIRED)

Date _____, 20 _____

**Mail to: Kentucky Teachers' Retirement System
479 Versailles Road, Frankfort, Kentucky 40601**

Get to Know Your Retirement System with a KTRS Orientation

Several schools, as well as entire districts, have requested that KTRS staff meet with educators in their system to provide an orientation on the Kentucky Teachers' Retirement System. Our office can provide a short fifteen-minute summary or a one-hour presentation based on your timing needs.

Topics that will be covered include highlights of the KTRS defined benefit plan, the advantages of saving early for retirement, the value of retaining one's sick leave days, and information members should know regarding their retirement account. KTRS counselors frequently hear the following comment from career educators: "If I had only known that when I first started teaching."

Knowing this valuable information on the front end of one's career eliminates regrets when a member is nearing retirement.

Please ask your school or district office to contact Sandra Bush at KTRS at 800-618-1687, or e-mail sandra.bush@ky.gov for more information on a KTRS orientation presentation.

The Kentucky Teachers' Retirement System will be closed in observance of the upcoming holidays:

DEC 23 – 26, 2005: Christmas

DEC 30, 2005 – JAN 2, 2006: New Year's

JAN 16, 2006: Martin Luther King, Jr's Birthday

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